

COUNCIL – AGENDA REPORT

Meeting Date: 4 June 2018

Subject: Cannabis Legalization – Public Consultation Results

Boards Routed Through:

Date:

Issue:

Council is being provided with the results of public consultation on the legalization of cannabis and is being asked to provide direction for the preparation of the relevant municipal bylaws.

Background:

In April 2017, the Government of Canada introduced legislation to legalize the sale and use of cannabis. In response to the introduction of overarching federal legislation, the Government of Alberta initiated an extensive public consultation process to collect feedback from Albertans and municipal governments on items that fell within provincial jurisdiction. The City of Airdrie participated in the July 2017 consultation process.

During the fall session of the Alberta Legislature two bills were proclaimed outlining the provincial approach to the sale and consumption of cannabis in Alberta. Subsequent to this the Alberta Government released detailed regulations on February 16, 2018. These regulations provide municipalities with the necessary guidelines to make amendments to local bylaws to accommodate the legalization of cannabis in August 2018.

In March 2018, Airdrie City Council directed staff to complete a public consultation process seeking feedback on key issues directly related to the regulation of cannabis, consumption and sales in Airdrie.

Overview of Legislation

Federal

The Government of Canada created the *Cannabis Act* which is the overarching national legislation that legalizes the sale and consumption of cannabis nation-wide. The Federal Government will regulate all aspects of cannabis production as well as medical

cannabis sales. The Act is being reviewed by the Senate and is expected to pass into law in June/July of this year, which will allow cannabis to be legally purchased and consumed across Canada in August 2018.

The Government of Canada also introduced changes to the *Criminal Code* and drug/drunk driving legislation. Provisions included in the *Cannabis Act* establish new enhanced penalties for illegal sales and distribution of cannabis and stricter penalties for drug driving.

Provincial

The Government of Alberta proclaimed Bill 26 *An Act to Control and Regulate Cannabis* and Bill 29 *An Act to Reduce Cannabis and Alcohol Impaired Driving* on December 15, 2017. The Provincial Government will regulate non-medical sales, licensing, public consumption, safety and enforcement related to cannabis.

The associated regulation was released on February 16, 2018. The regulation provides municipalities, retailers and consumers with the rules surrounding the sale and consumption of cannabis. Municipalities were given discretion in setting some local laws to best reflect the needs of their communities. Provisions are outlined in more detail below.

Legislation Timeline

Federal legislation is presently being reviewed in the Senate and is expected to pass in June and be proclaimed into law in July. Cannabis sales and consumption, with some restrictions, should be legal nation-wide in August 2018.

Provincial legislation allowed Alberta Gaming and Liquor Control (AGLC) to accept applications for retail sales as of March 6, 2018. AGLC expects to process 250 applications in the first year. The Government of Alberta is in the process of finalizing the provincial approach to cannabis taxation and is exploring measures to address workplace safety and public education. More details will be released in the coming months.

City of Airdrie Cross-Departmental Team Approach

To address this issue in a fulsome way, the City of Airdrie assembled a cross-departmental team of staff experts consisting of the following departments:

- Municipal Enforcement
- Business Licensing
- Economic Development
- Planning
- Building Inspections
- Legislative Services
- Corporate Communications

This team has participated in numerous discussions and presentations and will continue to work together to ensure changes to City of Airdrie bylaws reflect the needs of the local community.

Public Consultation Methods

Engagement	Type of feedback gathered	Number of people engaged	Date(s)
Home & Lifestyle Show	Dotmocracy and Q&A with staff	800	April 28 and 29
Focus Groups (3)	In depth conversation and opinions	27 total/average of 9 per group	May 1, 3 and 14
Telephone survey (statistically valid)	Qualitative and quantitative survey	400	April 30 – May 6
Web survey	Qualitative and quantitative	1639	April 25 – May 6
Open House	Dotmocracy and Q&A with staff	20	May 9

Public Consultation Highlights and Learnings

Smoking Bylaw – Consumption

Details:

Focus Groups: Give people a place to consume cannabis in public, but it needs to be more restrictive than tobacco.

Online and Telephone Surveys: An average of 51% of people agreed with a public ban on consumption. When it comes to specific places to consume, there was the most support for an outdoor festival/concert (46%) then (in descending order) support for walking on pathways (35%), walking down the street (34%), in a public park (25%), in any outdoor public space (20%), on a restaurant or bar patio (14%) and the least support was for a public transit stop (10%). When asked about festivals specifically, the most support (63%) was for consumption to be allowed in designated areas. The least support was for allowing it anywhere at a festival or event.

Home & Lifestyle Show/Open House: People do not want cannabis to be consumed everywhere that tobacco currently can. They want it treated like alcohol (homes only). They do not want it consumed anywhere at a festival or event and are neutral on having a designated area. They do not want it consumed in a public park, at transit stops, on a restaurant or bar patio, while walking down the street or on pathways.

Summary:

When considering consumption of cannabis, the Federal Government has already established that there are no restrictions on the use of cannabis for medicinal purposes. These people would be exempt from the cannabis provisions in the Smoking Bylaw.

The surveys and dotmocracy exercises show that a slight majority of people (51%) prefer a public ban on consumption. Residents' expressed a desire for separation distances from schools, places youth gather, public facilities, churches and seniors homes. There was low support for consumption on pathways, sidewalks, public parks, outdoor spaces, restaurant or bar patios and transit stops. Concern was expressed with respect to consumption in condominium facilities; however, condominium associations would have the ability to designate consumption areas. There was support for festival/special event organizers to be able to designate consumption areas should they wish.

It is important to note that legal advice indicates it is in Airdrie's best interest to have somewhere in public where consumption can occur. As it will be a legal substance, the City could be challenged in the courts should they not make some provision for consumption in public.

Alternatives:

1. Consumption – Within Public Space

- a. Council could choose to implement a complete ban for consumption of cannabis in public. This would not be staff's recommendation based on legal advice that has been received.
- b. Council could choose to implement a public ban for consumption of cannabis and provide designated areas where cannabis could be consumed. Staff are recommending that designated areas be created within the City. At this time, staff are asking that Council direct staff to determine suitable locations that would best meet the results of public feedback. These locations would need to meet any separation distances should Council decide to implement them.
- c. Council could choose to allow consumption of cannabis in public wherever smoking is allowed. This would allow for smoking to occur on City pathways, sidewalks, public parks, and outdoor spaces.
- d. Council could choose to allow consumption of cannabis in public and direct staff with respect to where it could be consumed.

2. Consumption – Festivals/Special Events

- a. Council could choose to allow organizers of festivals/special events to set aside consumption areas within the festival/special event area. This would be consistent with the public feedback that was received. Consumption areas would need to be decided upon in conjunction with City staff.

- b. Council could choose not to allow organizers of festivals/special events to set aside consumption areas within the festival/special event area. This would indicate Council did not support consumption of cannabis at festivals/special events.

Recommendation:

1. Implement a public ban on the consumption of cannabis;
2. Direct staff to return with possible designated locations where cannabis could be consumed in public; and
3. Make provision for festivals/special event organizers to designate consumption areas within the festival/special event area in conjunction with City staff if organizers so choose.

Smoking Bylaw – Enforcement

Details:

Focus Groups: Create balanced, sensible bylaws that are able to be enforced reasonably.

Online and Telephone Surveys: Most people (56%) feel it is important to have the resources available to enforce laws around smoking cannabis in public. However, when it comes to supporting a tax increase to pay for those resources, 36% of respondents would support it, 44% would not.

Home & Lifestyle Show/Open House: Questions specific to enforcement were not asked as part of the dotmocracy exercises at the Home & Lifestyle Show/Open House.

Summary:

People are concerned about how consumption can be reasonably enforced, especially considering Airdrie's bylaws do not include medicinal consumption. People would generally like to take a "wait and see" approach to find out for sure if enforcement costs increase rather than increasing enforcement resources without solid data.

Alternatives:

1. Council could choose to establish a budget to cover the cost of implementing cannabis legislation.
2. Council could choose to wait and see what the impact of implementing cannabis legislation is on the various City departments and RCMP.

Recommendation:

Council wait and see what the impact of implementing cannabis legislation is on the various City departments and RCMP.

Land Use Bylaw – Retail Locations

Details:

Focus Groups: There was a little support for limiting the number of retail locations, more support for allowing market to determine the number. There was strong support for separation distances from schools (middle and high school), but no other uses were singled out as requiring separation distances. Production and processing should be limited to industrial and rural areas.

Online and Telephone Surveys: The opinion on whether there should be a separation distance from other cannabis stores is evenly split. People are also evenly split on whether there needs to be a separation distance from liquor stores. It is very clear people want a separation distance from places where children and youth gather, from public facilities (community and recreation centres, skate parks, water play parks) and from residential areas. People are mostly in favour of separation distances from churches and supportive housing/seniors homes. Also asked on the online and telephone surveys was districts that cannabis retail stores should be accommodated in. The most support was for the downtown area followed (in descending support order) by service/highway commercial, regional commercial, mixed business, neighbourhood commercial and finally mixed use areas. There was little support for not having them attached to specific zones/districts. With regards to operating hours, the majority of people felt that the same operating hours as liquor stores was appropriate.

Home & Lifestyle Show/Open House: People felt there were no separation distances needed from other cannabis stores, liquor stores or stores selling tobacco. They felt a large separation distance was required (more than 200 metres) from schools, parks and playgrounds, public facilities, churches and supportive housing/seniors homes.

Summary:

It is very clear that people want a separation distance from schools and places where youth gather as well as from public facilities and residential areas. People were in favor (but less obviously so) to churches and supportive housing/seniors homes having a separation distance. When it comes to separation from other cannabis stores, liquor stores and tobacco stores, it is much less clear but does fall slightly on the side of no separation. With respect to districts cannabis retail stores can be located in, the most support was for the downtown area with the least support for mixed use areas. With respect to operating hours, the majority of people felt that the same operating hours as liquor stores were appropriate.

Alternatives:

1. Separation Distances – Specific Entities

- a. Council could choose to establish separation distances from schools, places where youth gather, churches and supportive housing/seniors homes. This would be consistent with the public feedback that was received.
- b. Council could choose to establish separation distances from entities in a less comprehensive manner than that listed above. Council would be asked to

provide direction with respect to which entities they would like to see separation distances established for and the size of the separation distance.

- c. Council could choose not to establish separation distances. This would allow for retail stores to be located next to schools, places where youth gather, churches and supportive housing/seniors homes.

2. Separation Distances – Retail Cannabis, Tobacco, and Liquor Stores

- a. Council could choose to establish separation distances from other retail cannabis, tobacco, and liquor stores.
- b. Council could choose to establish separation distances from other retail cannabis stores only, tobacco stores only, or liquor stores only. Council would be asked to provide direction with respect to which types of stores they would like to see separation distances established for and the size of the separation distance.
- c. Council could choose not to establish separation distances from other retail cannabis, tobacco, and liquor stores. This would allow for retail locations to be located next to each other or other tobacco and liquor stores. This would be consistent with the public feedback that was received.

3. Zoning – Retail Sales

- a. Council could choose to allow cannabis retail sales broadly throughout the city.
- b. Council could choose to restrict cannabis retail sales to specific zoning. This would be consistent with the public feedback that was received.

4. Zoning – Production and Processing Facilities

This issue has already been dealt with under the Land Use Bylaw. IB-3 and one of the rural business districts allow for the manufacturing and processing of cannabis.

5. Operating Hours

- a. Council could choose to allow cannabis retail stores to set their own operating hours.
- b. Council could choose to establish cannabis retail stores operating hours.
- c. Council could choose to mirror the operating hours of liquor retail stores for cannabis retail stores. This would be consistent with the public feedback that was received.

6. Development Permit Fee

- a. Council could choose to set the development permit fee at \$250, which is the same as other retail stores.

- b. Council could choose to set the development permit fee at \$2,500, which is consistent with that for a billboard. Staff anticipate the work involved with respect to processing the development permit to be similar. This would be consistent with the public feedback that was received.
- c. Council could choose to direct staff to report back with additional information regarding the development permit fee to be charged. Staff would request that Council provide specific direction with respect to the information they need.

Recommendations:

1. Separation Distances – Specific Entities

Create separation distances from schools, places youth gather and public facilities (community and recreation centres, skate parks, water play parks, etc.) of 200 metres or more. Create separation distances from churches and seniors homes of 100 metres.

2. Separation Distances – Retail Cannabis, Tobacco, and Liquor Stores

Set no separation distance from liquor, tobacco and other cannabis stores.

3. Zoning

Set districts that cannabis sales will be allowed in, restricting mixed use areas from having cannabis stores.

4. Zoning – Production and Processing Facilities

No action is required.

5. Operating Hours

Set operating hours of cannabis retail stores to match those of liquor retail stores.

6. Development Permit Fee

Set the development permit fee for cannabis retail stores at \$2,500.

Business Licensing

Details:

Focus Groups: There was more support for a one-time permit fee that is higher than an annual business license being higher than most other business licenses. Concerns were shared by potential business owners about raising costs too high, which will create the need for them to raise prices of their product. If prices of cannabis are too high, people will buy it cheaper on the black market. Questions were raised about what the costs are that need to be covered – answer is that we don't yet know.

Online and Telephone Surveys: When it comes to charging more for a business license, people were evenly split on their support.

Home & Lifestyle Show/Open House: Specific questions around business licensing were not asked as part of the dotmocracy exercise at the Home & Lifestyle Show/Open House.

Summary:

There was more support for a higher one-time development permit fee than there was for a higher cost annual business license.

Alternatives:

1. Council could choose to treat cannabis retail sales as any other retail sales, which would result in a business license fee of \$100 for residents and \$200 for non-residents. This would be consistent with the public feedback that was received. This alternative assumes Council will proceed with a higher development permit fee.
2. Council could choose to establish a business license fee that is different from other retail stores. The only license fees that are different are those established through the Massage License Bylaw and Taxi License Bylaw, which are in addition to the business license fee (if the requester is a business entity).

Recommendation:

Do not charge more for a business licence for a cannabis based business.

Alignment with AirdrieONE:

The City's approach to the legalization of cannabis meets the following principles of AirdrieONE:

1. Social Sustainability – For a socially sustainable community the focus is on how we can best meet the health, well-being and social needs of the community.
2. Governance – Continually improv(ing) opportunities to engage citizens in local government initiatives and decision-making.

Boards Routed Through:

N/A

Alternatives/Implications:

1. Council could choose to direct staff to proceed with the preparation of bylaws in accordance with the recommendations contained in this report. This would indicate that Council is comfortable with the general direction provided in the recommendations. Staff would draft the appropriate bylaws and bring them back to the July 3rd meeting for consideration. This option provides staff with sufficient time

to be best prepared to respond to the legalization of cannabis and comply with the Federal Government's timeframe of August 2018.

2. Council could choose to direct staff to return to the June 18th Council meeting with additional information. Staff would request that Council indicate the specific information they feel is needed. Specific direction with respect to bylaw creation would then be given by Council on June 18th. With this direction being provided at the June 18th Council meeting and due to the legislated timing to meet the advertising requirements for amendments to the Land Use Bylaw, Council would have two options with respect to the passing of the required bylaws:
 - a. Proceed at a special meeting in the mid to latter part of July. Should a delay in the passing of federal legislation occur, a special meeting may not be required. This option gives staff sufficient time to be prepared for the legalization of cannabis; however, it requires Council to attend a special meeting.
 - b. Proceed at the regularly scheduled meeting of August 20th. This option provides Council with the most amount of time to consider their options; however, it is unlikely to align with federal legalization dates leading to days or weeks where City staff would have to approve cannabis retail store applications under the existing land use bylaw as general retail. Separation distances, which were one of the greatest concerns for residents, would not be achieved. Although this is a viable option, it is not one staff would recommend.

Communications Plan:

The results of the public consultation will be shared with the public along with the go-forward plan based on Council's direction. The City created a link www.airdrie.ca/cannabis as a primary means of sharing the direction from Council with Airdrie's global audience.

Recommendation:

That Council directs staff to proceed with the preparation of the following bylaw amendments for consideration at the July 3, 2018, Council meeting to ensure Airdrie is prepared for the legalization of cannabis as follows:

1. Smoking Bylaw
 - a. Implement a public ban on the consumption of cannabis;
 - b. Direct staff to return with possible designated locations where cannabis could be consumed in public; and
 - c. Make provision for festivals/special event organizers to designate consumption areas within the festival/special event area in conjunction with City staff if organizers choose to do so.

2. Land Use Bylaw

- a. Create minimum separation distances from schools, places youth gather and public facilities (community and recreation centres, skate parks, water play parks, etc.) of 200 metres;
- b. Create minimum separation distances from churches and seniors homes of 100 metres;
- c. Set no separation distance from liquor, tobacco and other cannabis stores;
- d. Set districts that cannabis sales will be allowed in, restricting mixed use areas from having cannabis stores;
- e. Set operating hours of cannabis retail stores to match those of liquor retail stores; and
- f. Set the development permit fee for cannabis retail stores at \$2,500.

3. Business Licensing

No amendment required.

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Reviewed by:	Sharon Pollyck
Attachments:	N/A
Appointment:	N/A